

1 [Amended and Restated Loan Agreement - BRIDGE-Potrero Community Associates LLC -
2 Potrero HOPE SF Development - Not to Exceed \$29,141,134]

3 **Resolution approving and authorizing the Director of the Mayor’s Office of Housing and**
4 **Community Development to execute an Amended and Restated Loan Agreement with**
5 **BRIDGE-Potrero Community Associates LLC, a California limited liability company, to**
6 **increase the loan amount to \$22,701,134 for a total loan amount not to exceed**
7 **\$29,141,134 to finance the second phase of infrastructure improvements and housing**
8 **development related to the revitalization and master development of up to 1,700 units**
9 **of replacement public housing, affordable housing and market rate housing, commonly**
10 **known as the Potrero HOPE SF Development; and adopting findings that the loan**
11 **agreement is consistent with the adopted Mitigation Monitoring and Reporting Program**
12 **under the California Environmental Quality Act, the General Plan, and the eight priority**
13 **policies of Planning Code, Section 101.1.**

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15 WHEREAS, HOPE SF is the nation’s first large-scale public housing transformation
16 collaborative aimed at disrupting intergenerational poverty, reducing social isolation, and
17 creating vibrant mixed-income communities without mass displacement of current residents;
18 and

19 WHEREAS, HOPE SF, the City’s signature anti-poverty and equity initiative, is
20 committed to breaking intergenerational patterns related to the insidious impacts of trauma
21 and poverty, and to creating economic and social opportunities for current public housing
22 residents through deep investments in education, economic mobility, health and safety; and

23 WHEREAS, The Housing Authority of the City and County of San Francisco (“SFHA”)
24 owns and operates 619 units of public housing on the approximately 38-acre site, known as
25 Potrero Annex and Terrace; and

1 WHEREAS, The Potrero HOPE SF project, which is located in Potrero Hill, is generally
2 bounded by Missouri Street and Turner Terrace to the north, 23rd Street on the west, Texas
3 Street to the east, and 26th Street to the south, is a mixed-use, mixed-income development
4 with several different components: (i) construction of the public infrastructure to support
5 Potrero Annex and Terrace; (ii) development of private affordable housing on affordable
6 parcels in accordance with an affordable housing plan; (iii) development of private residential
7 projects on market rate parcels; and (iv) development of community improvements (e.g., open
8 space areas, community facilities) throughout Potrero-Velasco (the "Project"); and

9 WHEREAS, In 2007, SFHA issued a Request for Proposals (RFP), seeking submittals
10 from qualified respondents to develop the Project; and

11 WHEREAS, BRIDGE Housing Corporation, a California nonprofit public benefit
12 corporation ("BRIDGE"), responded to the RFP and was selected to be the developer for the
13 Project; and

14 WHEREAS, BRIDGE established a separate entity named BRIDGE-Potrero
15 Community Associates., LLC (the "Developer") under which to plan and develop the Project;
16 and

17 WHEREAS, The Potrero HOPE SF master plan consists of (i) a maximum of 1,700
18 units, of which 619 are replacement units for existing Potrero Annex and Terrace households,
19 approximately 181 are additional affordable housing units, and up to 800 units will be for
20 market rate homeownership or rental, (ii) all new streets and utility infrastructure, (iii) 3.5 acres
21 of new open spaces, and (iv) approximately 50,000 square feet of new neighborhood serving
22 spaces; and

23 WHEREAS, By Ordinance No. 15-17, the Board of Supervisors approved a
24 Development Agreement with the Developer relating to the Project Site (the "Development
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1 Agreement") under Administrative Code, Chapter 56, which Ordinance is on file with the Clerk
2 of the Board of Supervisors in File No. 161161 and is incorporated herein by reference; and

3 WHEREAS, By Ordinance No. 19-17, the Board of Supervisors made findings under
4 the California Environmental Quality Act (Public Resources Code, Sections 21000 et seq.)
5 and findings of consistency with the General Plan, and the eight priority policies of Planning
6 Code Section 101.1, which Ordinance is on file with the Clerk of the Board of Supervisors in
7 File No. 161309 and is incorporated herein by reference; and

8 WHEREAS, The City, acting through the Mayor's Office of Housing and Community
9 Development ("MOHCD"), administers a variety of housing programs that provide financing for
10 the development of new affordable housing and the rehabilitation of single- and multi-family
11 housing for low- and moderate-income households and resources for homeowners in San
12 Francisco; and

13 WHEREAS, MOHCD enters into loan agreements with affordable housing developers
14 and operators; administers loan agreements; reviews annual audits and monitoring reports;
15 monitors compliance with affordable housing requirements in accordance with capital funding
16 regulatory agreements; and if necessary, takes appropriate action to enforce compliance; and

17 WHEREAS, MOHCD provided Developer with loans to commence predevelopment
18 activities for the Project; and

19 WHEREAS, The Developer desires to commence the second phase of the Project,
20 which will include infrastructure improvements to facilitate the construction of approximately
21 116 public housing replacement units and 41 new affordable rental units, one market rate
22 development, an extended street segment, and an electrical switchgear to serve the Project
23 ("Phase 2 Project"); and

1 WHEREAS, The Developer established a separate entity named BRIDGE-Potrero
2 Community Associates LLC (the “Infrastructure Developer”) to undertake the Phase 2 Project;
3 and

4 WHEREAS, On November 20, 2020, the Citywide Affordable Housing Loan
5 Committee, consisting of MOHCD, Department of Homelessness and Supportive Housing, the
6 Office of Community Investment and Infrastructure, Controller’s Office of Public Finance and
7 SFHA, recommended approval to the Mayor of a loan to the Infrastructure Developer for the
8 Phase 2 Project in a total amount not to exceed \$29,141,134; and

9 WHEREAS, In order for the Infrastructure Developer to construct the Phase 2 Project,
10 MOHCD desires to provide an additional loan in the amount not to exceed \$22,701,134, and a
11 total loan amount not to exceed \$29,141,134, to the Infrastructure Developer pursuant to an
12 Amended and Restated Loan Agreement (“Infrastructure Agreement”) in substantially the form
13 on file with the Clerk of the Board in File No. _____, and in such final form as approved by
14 the Director of MOHCD and the City Attorney; and

15 WHEREAS, The material terms of the Infrastructure Agreement also include: (i) a
16 minimum term of 57 years; (ii) will bear no interest; and (iii) will be forgiven once the City
17 accepts the improvements and new streets; now, therefore, be it

18 RESOLVED, That the Board of Supervisors hereby adopts the findings contained in
19 Ordinance No. 15-17 regarding the California Environmental Quality Act for the Project, and
20 hereby incorporates such findings by reference as though fully set forth in this Resolution;
21 and, be it

22 FURTHER RESOLVED, That the Board of Supervisors hereby finds that the Project is
23 consistent with the General Plan, and with the eight priority policies of Planning Code, Section
24 101.1 for the same reasons as set forth in Ordinance No. 19-17, and hereby incorporates
25 such findings by reference as though fully set forth in this Resolution; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors hereby approves the
2 Infrastructure Agreement and authorizes the Director of MOHCD or his designee to enter into
3 any amendments or modifications to the Agreement (including, without limitation, preparation
4 and attachment or, or changes to, any of all of the exhibits and ancillary agreements) and any
5 other documents or instruments necessary in connection therewith that the Director
6 determines, in consultation with the City Attorney, are in the best interest of the City, do not
7 materially increase the obligations or liabilities for the City or materially diminish the benefits of
8 the City, are necessary or advisable to effectuate the purposes and intent of this Resolution
9 and are in compliance with all applicable laws, including the City Charter; and, be it

10 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes and
11 delegates to the Director of MOHCD and/or the Director of Property, and their designees, the
12 authority to undertake any actions necessary to protect the City's financial security in the
13 Property and enforce the affordable housing restrictions, which may include, without limitation,
14 acquisition of the Property upon foreclosure and sale at a trustee sale, acceptance of a deed
15 in lieu of foreclosure, or curing the default under a senior loan; and, be it

16 FURTHER RESOLVED, That all actions authorized and directed by this Resolution and
17 heretofore taken are hereby ratified, approved and confirmed by this Board of Supervisors;
18 and be it

19 FURTHER RESOLVED, That within thirty (30) days of the Infrastructure Agreement
20 being fully executed by all parties, MOHCD shall provide the final Infrastructure Agreement to
21 the Clerk of the Board for inclusion into the official file.

1 Recommended

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/s/
Eric D. Shaw, Director
Mayor's Office of Housing and Community Development

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